

MINUTES OF THE
HIGHER EDUCATION APPROPRIATIONS SUBCOMMITTEE
MONDAY, FEBRUARY 1, 2010, 2:00 P.M.
Room W020, House Building, State Capitol Complex

Members Present: Sen. John Valentine, Co-Chair
Rep. Melvin R. Brown, Co-Chair
Sen. J. Stuart Adams
Sen. Ross I. Romero
Sen. Steven H. Urquhart
Rep. Johnny Anderson
Rep. Trisha S. Beck
Rep. Bradley M. Daw
Rep. Kay L. McIff
Rep. Carol Spackman Moss
Rep. Evan J. Vickers
Rep. C. Brent Wallis
Rep. R. Curt Webb
Rep. Mark A. Wheatley

Staff Present: Spencer Pratt, Fiscal Manager
Lorna Wells, Secretary

Public Speakers Present: Ted McAleer, Executive Director USTAR
Associate Commissioner for Public Affairs, David L. Buhler

A list of visitors and a copy of handouts are filed with the committee minutes.

1. Call to order - Committee Co-Chair Valentine called the meeting to order at 2:12 p.m.
2. USTAR Report - Ted McAleer, Executive Director made a presentation to the Committee regarding USTAR. He discussed the three program areas of USTAR. He discussed the FY 2010 Base Budget cut which was backfilled with SB 240 and ARRA funds. The state investment to date has been \$33.7 million. USTAR has received \$71.3 million in research grants, with \$143.2 million in pending research grants. They estimate that 2,508 new jobs have been created. Mr. McAleer gave specific examples of faculty successes in the Biomedical Device Innovation program. He discussed other healthcare achievements through USTAR. He showed the progress on the Research Buildings at the University of Utah and Utah State University.

Rep. Beck asked for contact information for USTAR programs. Mr. McAleer reported that Committee members can contact him and he will forward contact information to them.

Mr. McAleer discussed that due to the budget cuts one of the five Technology Outreach Centers has been eliminated. The overall FTE headcount for commercialization and support was reduced. The ARRA funding allowed support for Small Business Innovation Research at SLCC, the BioInnovations Gateway at Granite Technical Institute, the Cluster Acceleration Partnership, and support, and for the Technology Commercialization Program. Mr. McAleer reported on the successes of the Technology Outreach Center programs throughout the state. He discussed the Energy Dynamics Lab and the research regarding algae biofuels and byproducts.

Rep. Vickers asked about USTAR's involvement with renewable energy in Southern Utah and if there is local resistance to these projects.

Mr. McAleer said that the Technology Outreach Team has identified which counties have the most advantageous incentives for renewable energy facilities. The policies varied from county to county. He also discussed some of the projects in geothermal energy. The cost of renewable energy is coming down.

Mr. McAleer said that they have identified the efficacy of some programs through one-time funding sources. He summarized with these major points:

- USTAR research recruits are delivering ahead of projections
- USTAR Research buildings are on track
- USTAR Tech Outreach is having an impact statewide assisting existing companies and creating new companies
- Legislative leadership is needed to continue progress and realize opportunities

Mr. McAleer also listed the USTAR governing authority.

3. Higher Education Issue Briefs - Mr. Pratt explained Page 13 of the USHE Issue Briefs. This Brief outlines the USHE Degrees Awarded. He explained the charts for each of the schools, and the last chart which shows a summary of degrees conferred over the last decade. There has been an increase in degrees awarded of 38% from FY 2000 to FY 2009. Page 17 of the Issue Brief is regarding USHE enrollment by institution. The Issue Brief shows the enrollment at each institution. Generally the Legislature uses the annualized FTE numbers which are shown in the red lines that are associated with state funding. The total annualized headcount has grown from 88,393 to \$103,071; which is an increase of 16.7%. There is also an increase in total headcount over that same time period.

Sen. Valentine asked Mr. Buhler how many new degrees have been authorized by the Board of Regents over the past 60 days. Mr. Buhler that there have been some new degrees have been approved and some have been discontinued. Sen. Valentine asked if these new degrees mean a contractual agreement with the student. It was reported to him that 11 new degrees have been authorized by the Board of Regents in the past 60 days, which USHE is contractually obligated to fulfill. Mr. Buhler answered that when a student enters a degree program, it is a contract. He is not sure of the exact number of new degrees, but will report at the next meeting. If a degree is going to be cut, accreditation standards dictate that allow students currently in the program are able to continue to completion. Mr. Buhler explained that when a new degree is proposed, it must first go to the Board of Trustees and then the Board of Regents. The fiscal impacts of these new degrees are discussed at length, it is a very thorough process.

Rep. Brown asked if the demands for the degree constitute some of this process.

Mr. Buhler reported that this is one element of the process. Students may be demanding a certain program, and if there is not duplication, it may get approved.

Mr. Pratt discussed the Issue Brief regarding Tuition which is on Page 25 of the binder. This brief is intended to answer some of the questions that were asked during the pre-session meetings. The brief shows the tuition increases by institution. This brief discussed 1st tier tuition; which covers a portion of any compensation increases approved by the legislature. This has been capped at 25%; the balance of 75% must be funded with state dollars. The 2nd tier tuition is institution specific. These increases go through a student review, and are generally targeted for something that the students might feel is underfunded.

Mr. Pratt prepared comparison tuition tables in the WICHE area and the eight rocky mountain states. The averages of both of these are compared with each institution. There is also a comparison with Peer Institutions. These Peer Institutions are identified by the Utah State Board of Regents. Most of the USHE institutions are below the averages for the WICHE average with the exception of SLCC, SLCC is above the average.

Rep. Daw asked if the lower tuition costs of New Mexico are because of funding from trust lands.

Mr. Pratt said he will report this information at the next meeting.

Rep. Wallis asked Mr. Buhler if the Board of Regents has a current policy regarding community college tuition rates. Mr. Buhler explained that community colleges in most states have three funding sources: tuition, state funds and local property tax. Utah Community Colleges have never received funding from local property tax, if that were the case, then tuition would be lower. Rep. Wallis asked if there is an index with respect to affordability. Mr. Buhler reported that each institution has a truth in tuition hearing which involves student groups. It is not uncommon for Utah families to have several students at USHE institutions at the same time. Rep. Wallis reported that affordability is a critical issue in his area; that tuition comparisons with other states don't seem to mean much to his constituents.

Rep. Moss asked if this list is annual tuition. She asked if there is a cap on the 2nd tier tuition. Mr. Buhler said that there is not an official cap, but students and Board of Regents have to approve the 2nd tier tuition increases. Mr. Buhler also stated that percentages can be a little misleading. The 2nd tier tuition is quite a lengthy process, and all nine institutions are examined before granting 2nd tier tuition increase.

Sen. Romero commented what a great value Higher Education is in the State of Utah, and also stressed the importance of the UESP to help prepare those families that have many students in higher education. Sen. Valentine stated that UESP will be reporting to the committee on February 10.

MOTION: Sen. Wallis moved to adjourn.

Committee Co-Chair Valentine adjourned the meeting at 3:10 p.m.

Minutes were reported by Lorna Wells, Secretary.

Sen. John Valentine, Committee Co-Chair

Rep. Melvin R. Brown, Committee Co-Chair